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LOS ANGELES TIMES
3 JANUARY 1983

Rebuilding U.S. Intelligence

Casey Shapes Up CIA, Survives as Top Spy

By ROBERT C. TOTH, *Times Staff Writer*

WASHINGTON—Last summer, several months before Leonid I. Brezhnev died, the Central Intelligence Agency produced a study of Kremlin leadership politics almost 40 pages long. It predicted that a cluster of Soviet officials would succeed Brezhnev, not a strong individual leader.

After reviewing the top-secret report before it was forwarded to the White House, Central Intelligence Director William J. Casey concluded that President Reagan would never wade through it all. So, in a brief covering letter couched in race-track parlance, he boldly predicted which Kremlin contenders would win, place and show.

Kirilenko peaked too soon, Casey told Reagan, and Chernenko faded in the stretch. Andropov is in the lead, perhaps challenged by Ustinov, with Gorbachev the dark horse and a future comer.

On the Money

As it turned out, Casey was right on the money: it was Yuri V. Andropov, not a committee, that succeeded Brezhnev as general secretary of the Soviet Communist Party. But the episode is less important as a measure of Casey the Kremlinologist than as a measure of Casey the CIA director and of the methods Casey has developed to run the multibillion-dollar-a-year U.S. intelligence community.

Casey—a scrappy, sometimes arrogant, bulky 69-year-old who retains a trace of his native New York accent—has surprised admirers and critics alike by surviving as the nation's top spy through the first two years of Reagan's tenure. Even more, he has managed to set and maintain a careful but significant pace for rebuilding the nation's intelligence capabilities.

Casey's midterm report card shows that:

—The country has experienced no known "intelligence failures" or "intelligence abuses" during his two years.

—Intelligence budgets, up 20%, have grown even faster than the Pentagon budget.

—Output of analytic studies has jumped a remarkable fivefold over the last years of the Jimmy Carter Administration.

—Covert activities have dropped somewhat in number, but individual operations have grown in size.

—And "intelligence guidelines," which are the do's and don'ts of the community, have been shortened drastically.

Casey's former deputy, retired Adm. Bobby R. Inman, believes Casey will be rated "very high" as a director of intelligence for "totally overhauling the process of making national intelligence estimates—sharply increasing their number, making them shorter and more focused on problems that policy-makers grapple with—plus winning the President's support for rebuilding the intelligence community."

'Substantially Better'

"Under Bill, things are substantially better than the public image suggests," Inman said in an interview.

Ray S. Cline, a former senior CIA official, has praised Casey for seeking to balance, with equally high priority, the need to provide accurate, in-depth analysis with the need to make it timely and useful in helping to answer the hard policy questions of government.

On the other hand, liberal critics such as Morton Halperin, director of the Center for National Security Studies, believe Casey has "moved the CIA backward" in restricting the release of information and in resurrecting its covert action capabilities. And some conservatives, who asked not to be identified, complain that Casey has not shaken up the intelligence community as the Republican Party platform of 1980 promised a Reagan Administration would do.

Be that as it may, Casey—a veteran of American intelligence operations during World War II, a multimillionaire with an entrepreneurial bent and a former senior federal official in financial and economic areas—has no intention of leaving the job.

"I'm enjoying it," he said in an interview, "and we're making progress. I intend to stick with it."

Twelve months ago, it was far from obvious that Casey was either enjoying the job or was going to keep it long.

At that point, he was reeling from his early and almost disastrous decision to hire a fellow Reagan campaign worker, Max Hugel, as chief of the CIA's clandestine operations—a "very conspicuous mistake on my part," Casey later called it. Hugel quit after private financial irregularities were alleged in the press, but three senior Republican senators called for Casey's resignation.

The Senate Intelligence Committee re-examined Casey's financial background, too. It grudgingly con-

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